

EDUCATION FOR A LIFETIME



"creating a Commonwealth of Opportunity for all"

Mark R. Warner

Efficiency Reviews

As part of his Education for a Lifetime Initiative, Governor Warner is proposing a comprehensive school efficiency review to ensure that Virginia's education dollars are spent wisely and effectively.

Every year we spend \$9 billion in state, federal and local money for elementary and secondary education in Virginia – approximately \$1,300 for every man, woman, and child in the Commonwealth. Governor Warner is committed to directing as much of that funding as possible into the classroom.

The efficiency review will consist of two components: 1) deploying auditors and management specialists from the state's Department of Planning and Budget to conduct intensive reviews of individual school systems, helping them realize greater efficiencies and identifying good practices that can be shared with other school divisions; and 2) conducting a statewide performance review to give parents, policymakers, and all taxpayers a clear picture of how their schools are performing.

Individual School System Reviews

❖ The individual school system reviews are modeled after successful programs in Texas and Arizona. Since its inception in 1991, the Texas program has conducted nearly 100 audits of public school districts and recommended net savings totaling \$750 million dollars.

❖ The goal of the reviews is to identify administrative savings that can be gained

through best practices in organization, service delivery, human resources, facilities, finance, transportation, technology management and other non-instructional expenditures – thereby allowing divisions to put administrative savings back into the classroom for an even greater investment in our children.

For example, the Texas program identified more than \$40 million in savings over five years in the Brownsville Independent School District (ISD) by recommending, among other things, improved controls on purchasing and more efficient distribution of administrative staff among schools. The Austin ISD was able to reduce legal expenses by more than half – from \$21.71 per student to \$9.52 per student. By enacting incentives to encourage employee attendance, the Fort Bend ISD saved \$116,000 in substitute costs in the first year and reduced absences by 7,000 days.

❖ The initiative will begin with pilot reviews in three school divisions which have volunteered to participate in the pilot program –

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New Kent and Roanoke Counties and the City of Richmond. These divisions reflect the diversity of the Commonwealth. The pilot reviews are beginning in September and will continue through this year and into next.

✦ The pilot reviews will be conducted using auditors and management specialists from the Best Practices Unit of the Department of Planning and Budget in consultation with the Department of Education. The Best Practices Unit has more than 77 years combined experience conducting performance and efficiency reviews. The pilot reviews will be carried out using existing resources and will not require additional revenues.

✦ The emphasis of the reviews is to identify and generate savings through **administrative and management** best practices. This is not a review of classroom instruction or student achievement.

✦ The final reports will be available to the public.

✦ If the pilot programs are effective, the Governor will propose legislation to the 2004 General Assembly providing for regular efficiency reviews.

Statewide Performance Review

The statewide performance review will analyze how effectively each school division uses resources to boost student achievement. The review will examine:

- Student achievement, including test scores, attendance, and graduation rates;
- Expenditures by category such as instruction, pupil services, administration, human resources, and compensation;
- Student achievement in relation to expenditures;
- Demographic and socioeconomic factors and community characteristics;

- School division characteristics, including staffing levels and qualifications of staff.

✦ In addition, the review will allow for the creation of a statewide education database presented in an understandable format, allowing students and parents to do an “apples-to-apples” comparison of resources affecting student performance – information that has not been available previously.

✦ The Governor has called on President Bush to fund such an initiative in every state, because the data provided will be invaluable to states in complying with the provisions of the “No Child Left Behind Act.” However, if the federal government does not pay for this analysis, the Governor has authorized the Department of Education to contract with an outside vendor to undertake this intensive data review.

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